

as saying, and I quote, "take our attitude towards advertisement. We're so easily led to purchase a product because a television or radio advertisement pronounced it better than any other. Advertisers have long since learned that most people are soft-minded, they capitalize on this susceptibility with skillful and effective slogans. This undue gullibility is also seen in the tendency of many readers to accept the printed word of the media as final truth. Few people realize that even our authentic channels of information, the press, the platform, and in many instances the pulpit, do not give us objective and unbiased truth." Close quotes.

Every bit of information comes to us with a point of view. Therefore, I feel that it is imperative for media outlets to engage the total community as much as humanly possible. In San Antonio for the most part the media and electronic media have been quite responsible; but that is not to say, however, that improvements can't be made. None of us has reached perfection yet. Continuous improvement in reporting the news is the challenge of our times.

I am delighted that the FCC has chosen San Antonio as one of the cities for this broadcast

localism hearing. I'm in support, like my colleagues here of deregulation, and in as many instances as possible. After all, this is the essence of the free enterprise system which has served this country well.

I do not necessarily believe that big is bad. I'm of the opinion that the less government involvement in the private sector, the better off the overall economy. I feel that the market will dictate if left alone.

I do, however, encourage the FCC — I'm encouraged, rather, by the FCC in moving in this direction. However, I do understand the concerns of some of the folks who are expressing some concerns about consolidation. I think that one way to assuage those concerns is to require media companies to set up more community advisory boards in these local markets. This would allow individuals from all sectors of the community to provide input and to help shape the message for their areas. (Applause.)

I have — I have personally been involved, as a community rep of the old, now defunct *San Antonio Light* newspaper — I don't think I was part of it going defunct, though — and I provided valuable insight into the local African-American community here. The

San Antonio Express News, our local paper now, has a community advisory board, and they rely heavily on the input of community leaders to get the message out and make sure they're not offending various and sundry groups in this town. This is a multicultural town, and we're proud of that, and that type of thing.

I would be in favor of a more robust approach, Mr. Chairman, by you all to continue to encourage these media conglomerates to work in that area, to continue to bring in, you know, individual groups and citizens to serve on those community-based boards.

Also, I would like to point out that the local cable company here, Time Warner, has a program of community access. This program allows individuals and groups to produce their own programs and thus shape their own message. This is really a good thing for this community. I think the concept of — I also think rather the concept of this low frequency FM station can be a huge asset in this regard as well. So I'm really interested in that.

(Applause.)

There are — there are groups — there are groups in this town, such as the NAACP, Neighborhood

First Alliance, and I see their president, T.C. Calvert out there, a yeoman in this community, I might add, the Hundred Black Men, the Alamo City Chamber of Commerce and other groups such as this who would benefit by having access to their own quote, "community FM station".

For the most part, community groups have access to religious programming, particularly in the African-American community here, and I'm all — I'm all for that. I'm all for religion, but — but we need more than that. Low frequency FM can be a tremendous resource in a community like this.

I am confident that our local media will accept a good-faith outreach program designed to provide wider access to the powers of the printed and electronic message. Along these lines, I would strongly encourage internships, and also some national searches by these local media-types to find qualified staff people who would in fact reflect the demographics of this community in particular.

Now, I would be remiss to sit up here and accuse the local media of being biased in hiring, when, in fact, I don't have the facts on who's applying for the jobs. That's not my style, and I wouldn't do

that. I do know that, and I'm a talk show junkie, I do know that talk show radio is very popular here and around the country — I'm going to wrap up — and I rarely hear the African-American perspective. I've called in and got on the air a couple of times, et cetera, and I think there's a real opportunity for input there. I'm talking to the local media on that one.

I could go on and on with this message. However, I would rather spend the rest of my time dealing with any questions related to this market.

Again, I would close by thanking Chairman Michael Powell for the distinguished job you do, and your group, professionals, for your leadership in this area. Thank you very much.

(Applause.)

CHAIRMAN POWELL: Thank you. Mr. Rossman.

MR. ROSSMAN: Chairman Powell, Commissioners and fellow panelists, I appreciate and thank you for this opportunity to testify on this important issue.

My name is Ray Rossman. I'm the Chapter Director of the San Antonio Chapter of the Parents Television Counsel. Today I represent individuals like

myself, parents, and grandparents, who are convinced that our voices are not being heard by those who have the privilege, not the right, the privilege, of broadcasting into our homes on a nightly basis.

We're convinced that our community standards have been pushed by the wayside, and instead the broadcasters uphold the standards of network programmers in Hollywood or New York, who have no regard for the impact or influence that their programming has on San Antonio children.

They admonish us to change the channel if we don't like what we're hearing or seeing, but turning off offensive or indecent programming should not be our only option. These are our airwaves. When is the last time that programmers considered what their community wants? When have they surveyed our views on what should come into our homes or over our airwaves on a nightly basis?

A recent Parent's Television Council survey asked Texans their thoughts about television programming. An overwhelming margin opposes profane, violent, and graphic sexual content on the public airwave.

(Applause.)

They do not believe — they do not believe that local broadcasters consider community values when making their programming decisions. Local broadcasters have entirely subordinated their duty to serve the public interest by yielding entirely to the national broadcast networks. It's unclear at this point whether the subservient behavior of local broadcasters is deliberate or whether it's being forced upon them by the networks through intense commercial pressure.

In a PTC survey of network owned and operated affiliates, not a one has told us that it preempted network programming on the basis of community standards.

Independently owned affiliates told us that because of network contractual obligations they could not preempt network programming. In fact, some Fox and CBS affiliates said they weren't allowed to see advance copies of reality programming. When NBC aired Maxim's Top 100, 26 independent NBC affiliates chose not to telecast — telecast the program that many believe bordered on the pornographic, and was certainly not in keeping with their community standards. And, yet, not one NBC-owned and operated affiliate preempted it based upon community standards.

The responsibility to protect our children from offensive and violent messages is a burden to be shared by parents, networks, local broadcasters and the FCC. For too long this burden has been shouldered solely by the parents, and we simply cannot do it alone. We need the FCC to do its job and we need local broadcasters to listen to our concerns. The FCC can start by severely penalizing broadcasters who air indecent programming.

Licensees should know that their ability to broadcast is a privilege, not a right. They should know that their privilege can and will be revoked if they do not abide by the law. We've heard that many independent affiliates are afraid to preempt programming because the networks threaten to take away their affiliation during the next round of contract talks.

In an effort to ease the burden on independently-owned affiliates the FCC can move to vote on the NASA petition. A limited number of TV stations around the country have preempted programming, but in several of those instances the same show was aired in the same market by a different station that was owned by the same corporate owner.

For example, when a CBS affiliate refused to air the Victoria's Secret fashion show, Viacom simply aired the program on the local UPN affiliate, again, without regard for community standards. So where is the deference to community standards?

Broadcasters can start by listening to the needs and the wants of their local communities. We are voting with our remotes, but the networks aren't listening. The networks repeatedly use the excuse that they have to compete with cable programming, programming that is full of sex, violence, and foul language. Hogwash. Hollywood isn't interested in what America wants, so our local broadcasters need to be.

(Applause.)

We are going — we are going to do our part. We are going to contact advertisers to let them know what they're advertising dollars are sponsoring. We are going to continue to be vigilant about what our children watch. We are going to file indecency complaints and file petitions to deny licenses; but we need your help. We need you to work with licensees, and we need you to hold them accountable, and we need broadcasters to listen to our community standards.

Together we can make a difference. There

is no better time to start than now because our children are watching. Thank you, Mr. Chairman.

(Applause.)

CHAIRMAN POWELL: Thank you, Mr. McGann — Mr. Rossman. I would like to introduce Robert McGann.

MR. MCGANN: Good evening, Chairman Powell, Commissioners Abernathy, Copps, and Adelstein, Mayor Garza, and other local officials.

My name is Bob McGann, and I thank you for the opportunity to be a panelist this evening. I am President and General Manager of local station KENS-TV and am here representing the station and its owner Belo Corp.

KENS-TV has been operating in San Antonio as a CBS-affiliated station since 1950. Belo purchased the station in 1997, and I became the general manager of the station in 1998. I have been a local broadcaster for 30 years.

The day of television stations being both locally owned and operated has long since passed in most television markets. My station's owner, Belo, is headquartered in Dallas and the majority of the other stations in this market are also not locally owned. However, KENS, like the other stations in this market

is locally operated. I live here in the San Antonio area as do all of my senior managers. All the day-to-day decisions on programming and management of KENS are made by me and my staff.

In the important area of news programming, for example, our parent company does not dictate the content. Those decisions are made by the news director at KENS under my supervision. Belo's role from its Dallas headquarters is limited to assuring itself that KENS is being operated in accordance with Belo's values and operating principles. Those principles require that quality news and information based on Belo's values of balance and fairness are delivered to KENS viewers, and that KENS and all of its employees are active corporate and individual citizens in San Antonio. That to me is the essence of localism today: Local operators, managing their stations and serving their communities with responsive programming and active community participation.

We believe at KENS that a local television station must allocate a significant portion of its broadcast week to news and other non-entertainment programming. This is a critical aspect of localism which is functioning well in San Antonio.

During a recent week KENS broadcast 39 hours of non-entertainment programming, amounting to 23.2 percent of its total weekly broadcast program hours. At KENS we ensure that our local programming is responsive to our viewers by means of both formal and informal ascertainment in our community. Through the year, I and other on KENS management call on community leaders such as Albert Ortiz, San Antonio Chief of Police, Dr. Ricardo Romo, President of UTSA, and Susan Reed, Criminal District Attorney, in an effort to find out from their vantage point as leaders in the community what the problems are and needs that KENS should address in its programming.

In addition, we conduct annual market surveys, asking citizens for the local issues of importance to them. That information, together with informal input, is compiled and serves as the focal point in planning our non-entertainment programming. In my view, some combination of formal and informal ascertainment at the station's option is the most effective way to perform this indispensable task.

KENS has partnered with the area's major cable system, Time Warner Cable, to create NEWS 9, a 24-hour local cable news channel serving San Antonio.

KENS has also partnered with the area's major daily newspaper, the San Antonio Express News, to create MySanAntonio.com, a local news and information web site. These new offerings are driven by localism and the marketplace — not by federal mandate.

KENS supplies local access to the airwaves in a variety of ways. KENS produces a weekday morning show, called "Great Day SA," which provides access to local artists, musicians, community leaders, and community organizations. In addition, KENS airs the City of San Antonio's New Year's Eve event, and is the official station of Fiesta, airing three major local parades. KENS has also created the Excel Awards, which honors our area's best teachers during the school year. Through public service announcements and other activities, KENS supports numerous community organizations such the San Antonio Food Bank and the Salvation Army, helping raise over \$175,000 annually for those two gropes — groups alone.

To sum up, Mr. Chairman and Commissioners, localism is driven in every American television market by two powerful and historically entrenched principles. First, is the principle of community service, which is a long-established hallmark of local television

stations. Local stations and their employees serve their communities because it is both personally rewarding and it is the right thing to do. It is also reinforced by the FCC license renewal process which focuses on a station's performance in its community and for its viewers.

Second, is the principle of economics. There are strong economic incentives in the form of advertising dollars which reward the top-rated station in the market, those which provide the most-watched local news. We do not need any additional incentives to continue to serve localism. Localism is what we are about. It is the business of local television. Thank you.

(Applause.)

CHAIRMAN POWELL: I would like to now introduce Mr. Oscar Moran.

MR. MORAN: Thank you. On behalf of LULAC, the nation's oldest and largest civil rights organization, I want to thank you Chairman Powell, members of the Commission, and all the distinguished panelists for the opportunity to partic — participate in tonight's FCC Localism task force hearing here in San Antonio.

Speaking to and defining "localism" in the broad and complex spectrum of broadcast programming is difficult at best, and so today, this evening, I will share some comments and suggestions which hopefully will lead to some positive changes in the industry.

Since the FCC commission has previously found that non-entertainment programming guidelines and formalized ascertainment procedures were unduly burdensome and unnecessary for both television stations and radio stations, today I would like to suggest some regulation changes and incentives in the areas of licensing requirements and incentives to promote greater attention to localism.

Under incentives to improve localism, we believe that the FCC's decision last summer to deregulate media ownership rules of radio, newspaper and television stations in the same market, as well as raising of the national broadcasting rule from 35 to 45 percent, a percentage that has recently last Thursday been reduced to 39 percent.

Nonetheless, we believe that this will not serve the minority communities as they continue to be underserved by the growing trend of corporate centralization of broadcasting formats and homogenized

media coverage of local news.

(Applause.)

We continue — we continue to see a lack of coverage on voter registration drives, health issues and cultural initiatives due to a trend towards corporate centralization of news and information which is sometimes considered more mainstream. We believe that revisiting that 35 percent ratio will provide a badly needed incentive here.

Under regulations that would improve localism, we believe that licensing requirements should go back to where they were, and that is every three years to the current eight years. The American people would not tolerate a health system that only allows for eight-year cycles of physical check-ups for obvious reasons.

The American people would not tolerate an educational system that measured — measures educational achievement and learning progress of their children every eight years, or a system that only allows an evaluation of the emission systems on our vehicles under this so-called auspices of burdensome and unnecessary guidelines because the obvious path toward the accelerated demise of our communities would

come closely thereafter. Thus, our present system in these areas of checks and balances serves us well.

There are numerous other parallels to the eight-year cycle that we could illustrate but in an effort to avoid redundancy we hope that a viable point has been made here today. This evening plain ordinary citizens find themselves on the precipice of relinquishing their right to one of our most precious and valuable resources, and that is the right to unencumbered, unfiltered and relevant local news, information and cultural awareness initiatives which are taking place in our community via the nation's airwaves.

There are presently numerous red flags on the broadcast media horizon, but among the most visible is a glaring lack of minorities in the executive branch as well as the governing board members of these corporations.

(Applause.)

We must not accept the rationalized criteria used to justify these numbers which only serve to divert attention away from one of the main responsibilities embedded in the broadcast license renewals of this station, and that is to provide a

community service.

As ordinary citizens, we must stand ready to evaluate and assist broadcast media entities from succumbing to the pitfalls of corporate in-breeding which results when viable diversity is not present, as well as the practice of recycling minority board of directors' members, an abuse which was recently high — highlighted in major newspapers and business journals where they cited an example of one person who serves — serves on 12 to 14 boards of Fortune 50 companies, and who publicly stated that he spends most of his time traveling from meeting to meeting, which begs the question how can such a board member, such a person, honestly look after the interest of the consumers and shareholders of these entities.

We must pay strict attention to the direct correlation between the lack of diverse input and viable government and the demise — in the demise of the recent giants in energy, security, healthcare, to name a few, in the adverse domino effect on ordinary citizens. To this end we will be working with members of Congress on legislation to curtail the abuse of board of directors recycling in publicly traded and regulated industries.

By far, the most direct impact on the every day lives of ordinary citizens is the news information and right of our voices and viewpoints to be heard via our airwaves. And as such, we must ensure that the broadcast media is held to the highest standards via improved renewal and licensing evaluations.

The public trust that has been given to them for safeguarding is not an entitlement program. It must be earned every day by viable engagement of ideas, management and governance within their corporate structures, or that trust will be lost in the very near future.

If we step back today, and look through the eyes of the minority communities, localism in the broadcast industry is not doing well. It is not terminal, but we believe that the present environment will not cure the direction in which it is going. Thank you very much, Mr. Chairman, Members of the Commission, We hope that our input tonight has provided... (Inaudible.)

(Applause.)

CHAIRMAN POWELL: Thank you very much, Mr. Moran. We'll now have a period in which we will

ask questions and read questions of — from the audience. I'd like to begin with a question for Joe.

"You say" — this is a question from the audience — "that each piece of coverage has a message and a distinct point of view, don't you think deregulation gives less diversity, less of a distinct message since more stations would be owned by fewer people thus one voice?"

MR. LINSON: I think that's a possibility, but the way — the way I would approach it, Mr. Chairman, if, if we can, if investors are out there to, you know, buy — buy stations, then, you know, you can solve that problem. And I'll cite an example, of the local station here was for the most part was black-owned, BET — I'll use BET — rather, it was sold after... (inaudible.)

This is a free enterprise system. I keep saying that. There's a chance that question that obv — — that can occur, but if you own your own station, you get around that, as I would approach it. I'm simply talking about the market. If we're in this business, buy a station, get some investors together and buy — buy a station. You know, that's another — another way to approach it. There's always the possibility of that

situation, but —

THE AUDIENCE: (Inaudible.)

MR. LINSON: — but the fact of the matter is, I believe in, get some investors together and buy it. BET was black-owned, but it was sold by black folk to another company. You can't blame the guy for taking three billion dollars. Now he owns a basketball team in Charlotte, North Carolina. That's my approach to that one.

CHAIRMAN POWELL: I'm going to go to the next question, but I, I have to say I feel obligated to say that in — to have healthy discourse, we have to have enough civil respect to allow individuals to make their statement.

(Applause.)

I think it's a fine tradition in America that people can disagree respectfully, and I hope that by the end of the night we'll be able to say that about our hearing here in San Antonio.

MR. LINSON: May I just say this, Mr. Chairman, I agree with you on that, but I don't mind, and I put that group down as undecided, as far as I'm concerned.

(Laughter.)

COMMISSIONER ABERNATHY: I have a question here that's directed to Lydia Camarillo, and it follows on a question that I wanted to ask you, too, as well as some of the other panelists are welcome to jump in.

And it says: "Does local radio and TV provide adequate news coverage of Central and South American news for Latinos in the San Antonio area and for their families from their countries of origin?"

As a follow-up to that, one of your biggest concerns was ownership and control of, of local stations, and I agree, and we've got a diversity committee and we're working on ways to expand opportunities for ownership; but for the ones where you don't have Latino ownership, and that have a localism obligation, how does that translate into serving underserved parts of the community; and as we're measuring localism, do we look simply at local news programming? Should we look beyond that to sponsorship of various activities, coverage of sports that may be unique to certain communities?

I mean, if we're trying to get a handle on this, what does it mean for a local station to be responsive to these communities?

MS. CAMARILLO: Well, thank you for asking

that question. I think that the question, while I focused on, on ownership of local — of minority and Latinos having an opportunity because I think that gives an opportunity for communities to have real voices, I don't think it was exclusive to that.

When you have one or two companies owning everything, you have less voices. And so we have to make sure that communities are included at all levels as Moran — Mr. Moran mentioned very accurately. At the board level we don't have representation, and certainly at the rank and file of the reporters we don't have representation.

But if you ask me a question about — do we have even slight reporting on Central and, and — and South America, I have to tell you we don't even have local reporting. I think that Latinos are not covered. I don't think the African-American community is covered, I don't think that communities that are disproportionately poor are covered.

And so I think that having — I want to thank the, the industry for giving money when it gives, but it doesn't give enough money. I want to thank the industry for having its community service, but it doesn't do enough. So I think that, that the question

is really goes back to you all who are the FCC and the regulators —

(Applause.)

— who are willing to have to — and the ones who have to decide whether or not someone should have the right to have a license again. As I stated, the airwaves belong to us. And if the airwaves belong to the people, then the people must have a voice, and we do not have a voice. Thank you very much.

(Applause.)

MR. GIUST: Commissioner, I — I just want to add that we make it a point to cover as much as we can. We know — we know who our viewers are, and we have a lot of people that are first, second, third generation here, but we have a lot of people that have just come into America, and we know how important it is to report what is going on in their home, home — home of Mexico or, or in Central America.

To give you an example, in 19 — in the year — in the 1990 census, 92 percent of the Latino population here was from Mexico. Now it's only 71 percent in the 2000 census, which means there are more people here from South America, and we owe it to them to let them know what is going on in their country, and

we make it a point to do that. Thank you.

(Audience talking.)

COMMISSIONER COPPS: I have a number of questions from the audience having to do with must carry, which has to do with requiring the cable systems to carry — carry the broadcast programming and some concern about the possibility of losing shows like C-Span or whatever, and more generally, just to wonder as we — and Mr. Giust talked about this and made an interesting connection between must-carry and the public interest. It won't be long. We're in the digital world and the station now that has one stream of broadcasting going out of San Antonio, will have maybe six, with the ability to multi-cast.

And I think there's a great interest on how — how's the public interest going to be protected in that environment, and what are you willing, I think, to — to undertake as the result of that?

In other words, would you be willing to make a commitment to increase your public interest service obligations proportional, to an increase in channel capacity that you have? What kind of things do you think we ought to be looking at as we deliberate today?